

Agency 22 - Department Of Insurance

Statutory Authority:

The Department of Insurance was created by Article 12, Section 1, of the Constitution of the State of Nebraska. The Department's general powers are granted by State Statute Section 44-101.01 R.R.S. 1943. The Department's duties and responsibilities are defined in State Statute Chapters 8, 11, 21, 44, 48, 59, 77, 81, and 84.

Vision Statement:

Mission Statement:

To safeguard those affected by the business of insurance through the fulfillment of our statutory obligations and by promoting the fair and just treatment of all parties to insurance transactions.

Goals:

1. Improve and enhance services and protection provided to Nebraska insurance consumers.
2. Maximize efficiency and effectiveness of the Department's operations and delivery of services.

Objective 1-1: Continue to improve financial solvency regulations by maintaining accreditation of the Department by the National Association of Insurance Commissioners.

Objective 1-2: Increase the visibility of the Department through 1) increased participation in outreach activities, such as public appearances, public service announcements, and informational brochures and workshops, 2) and increased coverage of insurance related matters through the Department's newsletter, local newspapers, and other media.

Objective 2-1: Increase the level and quality of communications and accountability at all levels within the Department by 1) reviewing, on semi-annual basis, the status of the goals that each division has developed through division reports and meetings, 2) reviewing and possibly redefining, as necessary, each division's goals on an annual basis, and 3) identifying areas for improved communications through monthly Administrator staff meetings.

Financial Data:

| | Actual FY02 | Approp FY03 | Request FY04 | Recom FY04 | Request FY05 | Recom FY05 |
|----------------|-------------|-------------|--------------|------------|--------------|------------|
| General Fund | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash Fund | 5,318,211 | 7,389,404 | 7,749,827 | 7,946,267 | 7,632,333 | 7,965,232 |
| Federal Fund | 206,620 | 222,842 | 250,000 | 253,055 | 250,000 | 255,415 |
| Revolving Fund | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Fund | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Agency | 5,524,831 | 7,612,246 | 7,999,827 | 8,199,322 | 7,882,333 | 8,220,647 |

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Program 068 - Medical Professional Liability

Program Objectives:

Financial Data:

| | Actual FY02 | Approp FY03 | Request FY04 | Recom FY04 | Request FY05 | Recom FY05 |
|----------------|---------------|----------------|----------------|----------------|----------------|----------------|
| General Fund | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash Fund | 37,431 | 154,051 | 154,050 | 156,321 | 154,050 | 157,496 |
| Federal Fund | 0 | 0 | 0 | 0 | 0 | 0 |
| Revolving Fund | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Fund | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 37,431 | 154,051 | 154,050 | 156,321 | 154,050 | 157,496 |

Performance Measures:

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Program 069 - Enforcement Of Standards - Insurance

Program Objectives:

01-1 Institute procedures in the Examination Division necessary to maintain National Association of Insurance Commissioner's (NAIC) accreditation. The NAIC conducts an on-site review every five years and interim annual desk reviews. New requirements will be reviewed annually and new procedures instituted as necessary.

01-2 Insure that the Department can meet Examiner Handbook requirements by having at least 40% of the examiners certified to hold the Certified Financial Examiner (CFE) designation and a total of 95% of the examination staff hold the appropriate Accredited Financial Examiner (AFE) or CFE designation. The Department will encourage all examiners to pursue these designations.

Financial Data:

| | Actual FY02 | Approp FY03 | Request FY04 | Recom FY04 | Request FY05 | Recom FY05 |
|----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| General Fund | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash Fund | 5,280,774 | 7,225,353 | 7,585,777 | 7,779,946 | 7,468,283 | 7,797,736 |
| Federal Fund | 206,620 | 222,842 | 250,000 | 253,055 | 250,000 | 255,415 |
| Revolving Fund | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Fund | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 5,487,394 | 7,448,195 | 7,835,777 | 8,033,001 | 7,718,283 | 8,053,151 |

Performance Measures:

01-1 During FY97 the NAIC conducted a pre-accreditation review. In FY98 the on-site five-year review was conducted and the Department was awarded its second accreditation certificate December 8, 1997.

01-6 The NAIC Financial Analysis Handbook will be implemented in FY2002.

| Description | FY02 Actual | FY03 Current | FY04 Request | FY05 Request |
|--|-------------|--------------|--------------|--------------|
| 01-2 % of Examiners holding CFE | 57 | 40 | 40 | 40 |
| 01-2 % of Examiners holding AFE or CFE | 57 | 65 | 80 | 95 |
| 01-3 % of staff meeting educ requirment | 100 | 100 | 100 | 100 |
| 01-4 % of exams conducted per schedule | 47 | 60 | 80 | 90 |
| 01-5 % of Quick Reviews done in 10 days | 100 | 100 | 100 | 100 |
| 01-5 % of Annual Reviews per schedule | 100 | 100 | 100 | 100 |
| 01-5 % of Annual Reviews done by Aug 1 | 86 | 100 | 100 | 100 |
| 01-5 % of Quarterly Reviews done per sch | 72 | 95 | 100 | 100 |
| 01-7 # of Pre-need exams completed | 23 | 30 | 35 | 35 |
| 01-8 % of priority exams completed | 100 | 100 | 100 | 100 |

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Program 556 - Liquidation Of Insurance Companies

Program Objectives:

The purpose of this program is to provide funding for activities associated with conservatorship or liquidation of troubled insurance companies. This program's appropriation is restricted and can only be expended to allow the Department to undertake and maintain corrective action. The number of actions requiring expenditures under this program vary widely from year to year.

Financial Data:

| | Actual FY02 | Approp FY03 | Request FY04 | Recom FY04 | Request FY05 | Recom FY05 |
|----------------|-------------|-------------|--------------|------------|--------------|------------|
| General Fund | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash Fund | 6 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Federal Fund | 0 | 0 | 0 | 0 | 0 | 0 |
| Revolving Fund | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Fund | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 6 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |

Performance Measures: